

**RESOLUTION  
OF THE  
4-WAY RANCH METROPOLITAN DISTRICT NO. 2  
REGARDING  
FEES, RATES AND CHARGES**

WHEREAS, 4-Way Ranch Metropolitan District No. 2 ("District" or "District No. 2") is a special district located within El Paso County, Colorado, organized pursuant to Article 1 of Title 32, Colorado Revised Statutes, known as the "Special District Act"; and

WHEREAS, District No. 2 and the 4-Way Ranch Metropolitan District No. 1 ("District No. 1," collectively the "Districts") were formed under a Consolidated Service Plan, as amended, approved by the Board of County Commissioners of El Paso County, Colorado, *inter alia*, to provide water activities, services and facilities to property within the 4-Way Ranch service area, El Paso County, Colorado ("4-Way Ranch"); and

WHEREAS, the Districts were formed for the purpose of providing certain essential public purpose facilities and services, including water and sewer services, within 4-Way Ranch and in accordance with the Consolidated Service Plan; and

WHEREAS, District No. 1 designed, financed and constructed a water distribution system, to serve property within 4-Way Ranch; and

WHEREAS, District No. 1 has transferred the water system and related property interests to District No. 2 for ownership, operation and maintenance, and the Districts have entered into an intergovernmental agreement regarding the provision of water and sewer services by District No. 2 to District No. 1; and

WHEREAS, by resolutions dated May 10, 2006 (effective May 9, 2006), subsequently amended by resolutions dated November 8, 2006; November 14, 2007; and February 5, 2014, the District No. 1 Board of Directors adopted its resolution establishing fees, rates and user charges, including certain water tap fees (the "Rate Resolution"); and

WHEREAS, District No. 1 pledged a portion of its water tap fee toward payment of the District No. 1's bonds pursuant to the bond resolutions dated October 4, 2011 related to the limited tax general obligation bonds, Series 2011A and 2011B, adopted by District No. 1's Board ("2011 Bond Documents"), and for which District No. 2 has agreed to collect on behalf of District No. 1 for remittance in accordance with the applicable District No. 1 2011 Bond Documents; and

WHEREAS, with the exception of the pledged Water Tap Fee (as defined below), following the transfer of the water system to District No. 2, the District No. 1 fees, rates, tolls, penalties, and charges (collectively, "Fees") were vacated effective May 31, 2018 by resolution dated May 2, 2018; and

WHEREAS, District No. 2 is now responsible for adopting fees, rates, tolls, penalties, and charges necessary for the operation and maintenance of the water system and related improvements, as well as future sanitary sewer system improvements (the "Water and

Wastewater Systems”); and

WHEREAS, the District is authorized pursuant to § 32-1-1001(1)(j), C.R.S. to fix and from time to time increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities provided by the District (“Public Improvements”) and to pledge such revenues for the payment of its indebtedness; and

WHEREAS, the District is vested with the power to fix different rates, fees, tolls, or charges against differing properties within its service area; and

WHEREAS, the District now finds that it is in the best interests of the District and its residents, property owners and customers to impose and collect certain fees, rates, tolls, penalties and charges as set forth herein.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF 4-WAY RANCH METROPOLITAN DISTRICT NO. 2 AS FOLLOWS:

1. Water Service Charges. The Board determines that it is necessary and appropriate to charge for water service to residential and non-residential real property in order to raise funds to meet expenses related to the provision of water services and facilities (the "Water Service Charges"), upon all water service customers located within the District's service area. The Water Service Charges shall be as provided in **Exhibit A**, attached hereto and incorporated herein.

2. Wastewater Service Charges. The Board determines that it is necessary and appropriate to charge for wastewater service to residential and non-residential real property in order to raise funds to meet expenses related to the provision of wastewater services and facilities (“Wastewater Service Charges”), upon all wastewater customers located within the District’s service area. The Wastewater Service Charges shall be as provided in **Exhibit A**, attached hereto and incorporated herein.

3. Tap Fees.

(a) District No. 1 Pledged Water Tap Fees. By resolution dated May 9, 2006, as amended, the District No. 1 Board adopted its water tap fee, consisting of a “system development fee” in the amount of \$11,000 and a “water resource development fee” in the amount of \$1,000. Pursuant to the 2011 Bond Documents, the amount of \$4,000 of the system development fee portion of District No. 1’s water tap fee is pledged to pay the 2011 Bonds. By resolution dated May 2, 2018, the District No. 1 water tap fee was reduced to the system development fee in the amount of \$4,000 (the “Pledged Water Tap Fee”), effective as of May 31, 2018.

(b) District No. 2 Water Tap Fees. The District No. 2 Board determines that it is necessary and appropriate to charge water tap fees upon residential and non-residential real property within the District and the 4-Way Ranch service area in order to raise funds to meet expenses related to the Public Improvements (“Water Tap Fees”). The Water Tap Fees consist of two components: (i) a system development fee established for the purpose of reimbursing the

equitable share of the District's capital costs related to the construction, expansion or equipping of water facilities necessary to serve the customers of the District's water system, and which includes the Pledged Water Tap Fee; and (ii) the water resource development fee established for the purpose of payment for the development and supply of certain water rights to the District. The District's Water Tap Fees shall be as provided in **Exhibit B**, attached hereto and incorporated herein.

(c) District No. 2 Wastewater Tap Fees. The District No. 2 Board determines that it is necessary and appropriate to charge wastewater tap fees upon residential and non-residential real property within the District and the 4-Way Ranch service area in order to raise funds to meet expenses related to the Public Improvements ("Wastewater Tap Fees"). The District's Wastewater Tap Fees shall be as provided in **Exhibit B**, attached hereto and incorporated herein.

4. Additional Fees and Charges. In addition to the Water Service Charges, Wastewater Service Charges, Water Tap Fees and Wastewater Tap Fees contemplated herein, the District will assess additional service-related fees and charges as shown in **Exhibit C**, attached hereto and incorporated herein.

5. Prior Provisions. The provisions of this Resolution shall control over all contrary provisions of prior resolutions of the Board with regard to the fees, rates, tolls, charges or penalties provided herein. Provisions of prior resolutions of the Board not inconsistent with the provisions of this Resolution shall remain in full force and effect.


6. Perpetual Lien. As provided in § 32-1-1001(1)(j), C.R.S., all fees, rates, tolls, charges or penalties contemplated herein shall, until paid, constitute a perpetual lien against the property served or to be served by the District.

7. Legislative Action. This Resolution is and shall constitute a legislative measure of the District, which may be modified only by formal resolution of the Board of Directors of the District.


8. Effective Date. This Resolution shall be effective as of May 31, 2018.

APPROVED AND ADOPTED THIS 31<sup>st</sup> day of may, 2018.

**4-WAY RANCH METROPOLITAN  
DISTRICT NO. 2**

By:   
President

Attest:

By:   
Secretary/Assistant Secretary

**EXHIBIT A**  
**Monthly Water and Wastewater Service Charges**

**Water Service Charges**

Base rate: \$15.00/month per SFE

Use Rates (per month):

0,000 thru 7,000 gallons:	\$3.00 per 1000 gallons
7,001 thru 14,000 gallons:	\$4.50 per 1000 gallons
Above 14,000 gallons:	\$7.00 per 1000 gallons

**Wastewater Service Charges**

*Wastewater Residential Rate:*

Monthly Flat Rate

\$34.00 / month per Residence

*Wastewater Commercial Rate:*

Base Rate

\$29.80 / month per SFE

Use rates for use above the following quantities per water meter reading:

Over 5,000 thru 20,000 gallons:	\$ 2.10 per 1000 gallons
Above 20,000 gallons:	\$ 2.30 per 1000 gallons

The base rates and user rates for wastewater are extrapolated per water tap fee ratio as follows:

Tap Sizing Ratios:

¾ inch tap/service	1 x Base
1 inch tap/service	2.5 x Base
1 1/2 inch tap/service	5.0 x Base
2 inch tap/service	8.0 x Base

**Example: The wastewater rates associated with a 2 inch water tap are:**

Base Rate

\$238.40/ month per SFE

Use rates for use above the following quantities per water meter reading:

Over 40,000 thru 160,000 gallons:	\$ 2.10 per 1000 gallons
Above 160,000 gallons:	\$ 2.30 per 1000 gallons

**EXHIBIT B**  
**Water and Wastewater Tap Fees**

**Water Tap Fees**

**Residential -**

(Urban Lots:  
¾ inch tap and service)

System Development Fee: \$7,800  
Water Resource Development Fee: \$850

(Rural Lots:  
1 inch tap and service)

System Development Fee: \$10,000  
Water Resource Development Fee: \$1,000

**Commercial/Multi-family -**

(Base Size:  
¾ inch tap and service)

System Development Fee: \$7,800  
Water Resource Development Fee: \$ 850

Larger Tap sizes; Taps and services requiring larger than ¾ inch tap and service shall be sized using the AWWA tap sizing criteria based on Fixture Units. Increased costs for tap fees components shall be based on ratios as follows:

1 inch	2.5 x Base
1 ½ inch	5.0 x Base
2 inch	8.0 x Base

**Wastewater Tap Fees**

Wastewater Tap Fees shall be based on the water service size with the Base Wastewater Tap Fee of \$7,200. The multiplier for larger services shall be based on the same ratios relative to base water service as presented above.

**EXHIBIT C**  
**Service Fees and Charges**

Service Fees and Charges are collected before 4-Way Ranch Metropolitan District No. 2 installs the service meter; and, the water service is to be turned-on by District personnel.

**Meter Setting Fee:**

Single Family Residential	\$500
Non-Single Family Residential (2.5 SFE) (1")	\$650
Non-Single Family Residential (5 SFE) (1 ½")	\$1,155
Non-Single Family Residential (8 SFE) (2")	\$1,250
Larger than 8 SFE	Time and Materials

**Other Fees/Charges:**

Plan Review Fee	\$250.00
Inspection Fees	\$250.00
Hydrant Meter Permit Fee	\$50.00
Hydrant Meter Permit Deposit	\$1000.00 plus \$7.50 per 1000 gallons
Account Setup/Establishment Fee	\$100.00
Late/Delinquent Charges	\$ 15.00
Returned Check Fee	\$ 25.00
Turn-on/Turn-off Service	\$100.00
Tampering Charge	\$500.00 plus costs